

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7327

BILL NUMBER: SB 528

DATE PREPARED: Feb 1, 2002

BILL AMENDED: Jan 31, 2002

SUBJECT: Medicaid Managed Care.

FISCAL ANALYST: Kathy Norris

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill extends to December 31, 2004, the expiration date of provisions: (1) prohibiting the Office of Medicaid Policy and Planning from providing incentives to primary care medical providers for directing individuals to contracted hospitals other than a hospital in a city where the patient resides; and (2) concerning reimbursement rates for hospitals that previously contracted with the Office's managed care contractor for the provision of services under the Office's managed care program.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) This bill extends the expiration dates for certain provisions in current statute which affect the relationship between a Medicaid managed care organization (MCO) providing services in Lake County and the providers providing medical services to Medicaid recipients assigned to the MCO. The bill does specify the manner in which some reimbursement rates (between the MCO and the MCO's providers) are determined. However, this provision is not expected to significantly impact expenditures in the Medicaid program.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: